

**Statement of
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Department of the Interior
Senate Committee on Energy and Natural Resources**

**Oversight Hearing
“Challenges and Opportunities for
Improving Forest Management on Federal Lands”
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Thank you for the opportunity to discuss the management of forests and woodlands on lands administered by the Bureau of Land Management (BLM), including both public domain lands and the Revested Oregon and California Railroad and Reconveyed Coos Bay Wagon Road Grant Lands (the O&C lands). A total of roughly 60 million acres of BLM-managed lands are forests or woodlands, including 2.2 million acres of O&C forest lands.

Public Domain Forests & Woodlands

The BLM manages forests on public domain lands to restore and maintain forest ecosystems, reduce the risk of catastrophic wildfire, and generate a sustainable flow of forest products that can be sold through commercial and salvage timber sales and personal use permits that support rural communities. Resilient forests store and filter water for aquifers and reservoirs, offer opportunities for recreation, provide habitat for thousands of species, store carbon, provide clean air, support timber and other jobs, and provide millions of board feet of lumber and thousands of tons of biomass for alternative energy. According to the Department of the Interior’s 2011 Economic Impact Report, timber harvested from public domain forests supported \$129 million in economic activity in 2011, and biomass from BLM forests has become part of the feedstock that meets various State and Federal renewable energy portfolio standards. BLM forests also support local businesses dependent on tourism and outdoor recreation. Additionally, the value of forests for biological carbon storage is being increasingly studied and understood and can help the United States toward a better carbon balance.

Extreme drought, wildfires, pests, and invasive species infestations have plagued much of the West over the past decade, causing significant impacts to both forest health and local economies. The BLM has worked collaboratively with Federal, State, and other partners to develop strategies for addressing forestry issues such as the mountain pine beetle outbreak and whitebark pine tree decline. In 2012 fire affected over 287,000 acres of BLM forests and a cumulative 1.7 million acres of BLM forest mortality have been attributed to bark beetles, other insect attacks, and pathogens. Overall, the BLM estimates that about 14 million acres of BLM-managed forests outside of western Oregon are at elevated risk of insect and disease attacks or catastrophic wildfire. In 2012, as part of the Bureau’s hazardous fuels reduction program, the BLM conducted restoration and hazardous fuels reduction treatments, including thinning, salvage, and prescribed burns, on more than 465,000 acres of BLM-managed forests, woodlands and rangelands.

Because potential threats to forest health often cross jurisdictional boundaries, the BLM has increasingly adopted a landscape approach to resource conservation and treatments to reduce the buildup of

hazardous fuels. The BLM has begun developing vegetation management policies that consider entire landscapes, through integrating a number of programs – including forestry, rangeland management, riparian management, plant conservation, invasive weeds, and fire rehabilitation. This integration should result in more coordinated policies. On BLM managed lands outside of western Oregon, the BLM also offered over 35 million board feet of timber and other forest products for sale and used timber sales to treat over 20,000 acres of vegetation in fiscal year 2012. In addition, the BLM routinely works with partner agencies, organizations, and landowners to engage in land and watershed restoration and hazardous fuels reduction activities on Federal, state, and private lands, and the BLM has used the pilot Good Neighbor Authority in Colorado on projects where small parcels of federal lands were interspersed with state and private lands.

Stewardship contracts, timber sales, and service contracts are tools that the BLM uses to manage our forested lands. Stewardship contracting authority allows the BLM to award contracts for forest health and restoration treatments, including hazardous fuels reductions, for a period of up to ten years and to use the value of timber or other forest products removed as an offset against the cost of services received. The BLM has enjoyed many successes in using stewardship contracting authority, thereby achieving goals for forest and woodland restoration, and conducting both hazardous fuels reduction and habitat restoration treatments. In addition, stewardship contracts create jobs and revenue growth for local communities, and protect local communities from wildland fire. From 2003 through 2012, the BLM entered into over 400 stewardship contracts on approximately 108,000 acres of BLM-managed lands. This important authority expires in September, 2013, and the President’s Budget for FY 2014 proposes to make the authority permanent.

The O&C Lands

The 1937 O&C Lands Act placed the 2.2 million checkerboard acres of Oregon and California Railroad and Coos Bay Wagon Road grant lands under the jurisdiction of the Department of the Interior. Under the O&C Lands Act, the Department of the Interior manages the O&C lands for “the purpose of providing a permanent source of timber supply, protecting watersheds, regulating stream flow, and contributing to the economic stability of local communities and industries, and providing recreational facilities.” The Act also provides that the 18 O&C counties receive yearly payments equal to 50 percent of receipts from timber harvests on public lands in these counties.

After the historic highs in the late 1980s, timber harvests and the associated payments to counties decreased significantly in the mid-1990s due to many factors, including business cycles, industrial logging practices such as outdated clear-cut techniques and herbicide spraying that are not employed today, and a better understanding of conservation requirements for threatened and endangered species such as the Northern Spotted Owl, coho salmon, and marbled murrelet. The 1994 Northwest Forest Plan was developed by Federal agencies in consultation with the public and industry to be a balanced, long-term management plan providing a stable supply of timber along with protection of fish and wildlife habitat for 24.5 million acres of Federal forest, most of which is managed by the U.S. Forest Service, in western Oregon, western Washington, and northern California.

The Department of the Interior continues to manage the O&C lands under the Northwest Forest Plan, along with management recommendations derived from the 2011 Northern Spotted Owl recovery plan, and the 2012 Final Critical Habitat Rule, and a number of court decisions. The BLM's capacity to offer timber sales involves a number of complex and sometimes competing resource management goals,

including providing a predictable and sustainable yield of timber and other forest products, maintaining endangered species habitat, providing clean water, protecting older forests, restoring fire-adapted ecosystems, and providing recreational opportunities. Over the last three years, the BLM in western Oregon has offered approximately 650 million board feet of timber and generated over \$54 million dollars in timber receipts. During this same period, 32 thousand acres have been harvested on the O&C lands. Over 5.5 million visitors per year come to the BLM-managed lands in western Oregon to enjoy hiking, camping, hunting, fishing, and boating. The BLM's total land management budget in FY 2013 was reduced in total by \$69 million from the 2012 enacted level, including a \$5.8 million sequestration reduction for the management of O&C lands. Since implementing timber sales requires a 2-3 year planning process, the reduced funding in FY 2013 will impact BLM's capacity to maintain and increase timber harvest levels in 2014, 2015, and 2016.

Declining timber harvest levels, a result of the increasingly complex issues in the area and increasing litigation, have impacted jobs in western Oregon and have resulted in decreased timber revenues paid to the O&C counties. Congress has developed a number of legislative solutions over the years to supplement revenues to counties, including the Secure Rural Schools Act, which was originally enacted in 2000, but expired at the end of FY 2012. If the Secure Rural Schools Act is not reauthorized, payments to the 18 counties in western Oregon will revert to receipt sharing as provided under the O&C Lands Act. The President's 2014 Budget proposes to reauthorize the program for five years beginning in 2013 and continuing through 2017.

Collaborative Approaches

The BLM is aware that in western Oregon, the need for a predictable and sustainable timber supply, local jobs, and revenues for public services provided by the O&C counties must be balanced with the goals of maintaining recreational opportunities, conserving older forests, and aiding the recovery of the Northern Spotted Owl and other threatened and endangered species. Despite decades of controversy surrounding these issues, many in Oregon continue to work hard to develop feasible solutions that meet the needs of industry, rural communities, local governments, and the conservation of habitat, species, and water resources. For example, as provided under Title II of the Secure Rural Schools Act, the BLM has collaborated with Resource Advisory Committees to prioritize and allocate funding for restoration projects. As part of the Administration's ongoing commitment to improve forest health, aid in the recovery of the Northern Spotted Owl, and support economic opportunities for local communities in the Pacific Northwest, leaders from the U.S. Fish and Wildlife Service, BLM, and U.S. Forest Service met in April with employees from all three agencies to articulate a common vision and intent in approaching these goals. In the past year, Governor Kitzhaber; Senator Wyden; and Representatives DeFazio, Walden, and Schrader have initiated collaborative efforts to better understand and address these multifaceted concerns. Because the issues surrounding forestry in western Oregon are both complex and contentious, the various collaborative approaches undertaken by the BLM and others have all met with challenges in reaching consensus among the wide range of stakeholders.

Secretarial Pilot Projects

To promote the maintenance of healthy forest systems in western Oregon, the Department of the Interior has initiated three collaborative pilot projects applying the principles of ecological forestry in the Bureau's Roseburg, Coos Bay, and Medford districts. Ecological restoration – an array of principles and techniques developed in partnership with Dr. Norm Johnson, Professor of Forestry Resources at Oregon State University, my fellow panelist, and Dr. Jerry Franklin, Professor of Ecosystem Science at the

University of Washington – applies variable retention harvest techniques that create early successional ecosystems while conserving high-value habitat across large watersheds.

These pilot projects have been underway since December 2010, and have involved collaboration with resource professionals from the BLM, U.S. Fish and Wildlife Service, National Marine Fisheries Service, and the Coquille Indian Tribe, as well as industry and the conservation community. The objective of the pilots is to demonstrate the ecological and economic merits of the restoration strategy outlined by Professors Johnson and Franklin in moist and dry forests. The pilots serve as examples of how active management may be applied in critical habitat for the Northern Spotted Owl, and lessons learned through these pilot efforts will help inform the BLM's approach to future management of these lands.

Resource Management Plans

The BLM is revising the six Resource Management Plans that govern management of the O&C lands. The BLM will continue to have significant engagement with the public in this effort, striving for a cooperative approach to the complex issues associated with managing these lands. The BLM in western Oregon is employing a series of collaborative approaches and meetings to engage over 25 formal cooperators in addition to interested public stakeholders during the current efforts to revise the Resource Management Plans. The revised plans will provide a management framework for O&C lands that furthers the recovery of threatened and endangered species, produces a sustained yield of timber products, provides for clean water, restores fire-adapted ecosystems, and ensures diverse recreational opportunities. In 2012, scoping for the plan revisions was completed, and the BLM has used input derived during the scoping period to determine the Purpose and Need for the planning effort. The BLM has also begun hosting a series of meetings to conduct outreach on issues important to the public as we move forward toward developing a draft. The revised plans will consider lessons learned from the ecological forestry pilot projects, the revised recovery plan and final critical habitat designation for the Northern Spotted Owl, and the 2008 planning effort. As the BLM moves forward with the planning effort, it will also continue to work with Senator Wyden, Governor Kitzhaber, and other leaders in Oregon in their efforts to develop a collaborative resolution to forest management issues in western Oregon.

Conclusion

The BLM is committed to managing both public domain forests and the O&C lands in a manner consistent with applicable authorities, including the O&C Lands Act in western Oregon. The BLM will continue to offer timber sales consistent with our Resource Management Plans and the Northwest Forest Plan for the benefit of rural economies and forest health. We look forward to continuing to work with the Committee and with our partners to manage forests and their many associated resources and values on the public lands. Thank you again for the opportunity to discuss the BLM's forest management programs.